GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7277
ANSWERED ON:12.05.2000
VAISAKHA SAKA CONSOLIDATED FUND OF INDIA .
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government is empowered under Article 292 of the Constitution of India to borrow upon the security of the Consolidated Fund of India, within such limits as may be fixed by Parliament by law:

(b) if so, whether the Government have not fixed any limit on the borrowings with the approval of the Parliament in compliance to the provision of the Constitution despite the recommendations of the Public Accounts Committee and the Estimates Committee;

(c) if so, the reasons therefor;

(d) the total borrowings upon the security of the Consolidated Fund of India from the domestic market, as on date, and in what proportion to the receiepts in the said Fund; and

(e) the reasons for disproportionate borrowings to the receipts in the Consolidated Fund of India and the corrective steps taken ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

(a), (b) and (c) - Yes, Sir. The Government have, from time to time feltthat a ceiling on borrowings was not necessary as the annual budget passed by Parliament implied an implicit ceiling on borrowing during the year.

(d) Against the total borrowings of Rs. 112275 crore (net of repayment) during 2000-01, Rs. 76383 crore (net of repayment) has been estimated as domestic borrowings in B.E. 2000-01. This works out to be 22.56 % of the total receipts of Rs. 338487 crore estimated in B.E. 2000-01 under Consolidated Fund of India.

(e) Borrowings have increased as the growth in expenditure of Governmenthas outpaced the growth in its non-debt receipts. Finance Minister has annoucned a series of measures in para 10 of Budget Speech, 2000-01 to contain growth in Government expenditure with concomitant deceleration in the growth in Government borrowings.